

SENATE BILL No. 13

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1-3; IC 6-4.1-5-1.

Synopsis: Elimination of the inheritance tax. Provides a complete exemption from inheritance tax for property interests transferred to lineal descendants or ancestors with respect to persons who die after June 30, 1999. Phases out the inheritance tax on property interests transferred to other categories of transferees by increasing exemptions. Provides that no inheritance tax will be imposed upon property interests transferred to other categories of transferees with respect to persons who die after June 30, 2001.

Effective: July 1, 1999.

Zakas, Lewis

January 6, 1999, read first time and referred to Committee on Finance.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 13

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-4.1-3-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) **With respect**
3 **to a person who dies before July 1, 1999**, the first one hundred
4 thousand dollars (\$100,000) of **the decedent's** property interests
5 transferred to a Class A transferee under a taxable transfer or transfers
6 is exempt from the inheritance tax.

7 (b) **With respect to a person who dies after June 30, 1999, the**
8 **entire amount of the decedent's property interests transferred to**
9 **a Class A transferee is exempt from the inheritance tax.**

10 SECTION 2. IC 6-4.1-3-11 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) **With respect**
12 **to a person who dies before July 1, 1999**, the first five hundred
13 dollars (\$500) of **the decedent's** property interests transferred to a
14 Class B transferee under a taxable transfer or transfers is exempt from
15 the inheritance tax.

16 (b) **With respect to a person who dies after June 30, 1999, the**
17 **amount of the decedent's property interests transferred to a Class**



B transferee as set forth in the following table is exempt from the inheritance tax:

DATE OF DEATH	AMOUNT OF EXEMPTION FOR CLASS B TRANSFEREE
After June 30, 1999, and before July 1, 2000	The first \$100,000
After June 30, 2000, and before July 1, 2001	The first \$120,000

SECTION 3. IC 6-4.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. (a) **With respect to a person who dies before July 1, 1999**, the first one hundred dollars (\$100) of **the decedent's** property interests transferred to a Class C transferee under a taxable transfer or transfers is exempt from the inheritance tax.

(b) **With respect to a person who dies after June 30, 1999, the amount of the decedent's property interests transferred to a Class C transferee as set forth in the following table is exempt from the inheritance tax:**

DATE OF DEATH	AMOUNT OF EXEMPTION FOR CLASS C TRANSFEREE
After June 30, 1999, and before July 1, 2000	The first \$20,000
After June 30, 2000, and before July 1, 2001	The first \$24,000

SECTION 4. IC 6-4.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) For purposes of this section, the net taxable value of property interests transferred by a decedent to a particular transferee equals the remainder of:

- (1) the total fair market value of the property interests transferred by the decedent to the transferee under a taxable transfer or transfers; minus
- (2) the total amount of exemptions and deductions provided under ~~sections 9-1 through 15 of IC 6-4.1-3~~, **IC 6-4.1-3-10 through IC 6-4.1-3-15** with respect to the property interests so transferred.

(b) **With respect to a person who dies before July 1, 1999**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:



1	NET TAXABLE VALUE OF	
2	PROPERTY INTERESTS	
3	TRANSFERRED	INHERITANCE TAX
4	\$25,000 or less	1% of net taxable value
5	over \$25,000 but not	
6	over \$50,000	\$250, plus 2% of net
7		taxable value over \$25,000
8	over \$50,000 but not	
9	over \$200,000	\$750, plus 3% of net taxable
10		value over \$50,000
11	over \$200,000 but not	
12	over \$300,000	\$5,250, plus 4% of net
13		taxable value over \$200,000
14	over \$300,000 but not	
15	over \$500,000	\$9,250, plus 5% of net
16		taxable value over \$300,000
17	over \$500,000 but not	
18	over \$700,000	\$19,250, plus 6% of net
19		taxable value over \$500,000
20	over \$700,000 but not	
21	over \$1,000,000	\$31,250, plus 7% of net
22		taxable value over \$700,000
23	over \$1,000,000 but not	
24	over \$1,500,000	\$52,250, plus 8% of net
25		taxable value over \$1,000,000
26	over \$1,500,000	\$92,250, plus 10% of net
27		taxable value over \$1,500,000
28	(c) With respect to a person who dies after June 30, 1999, the	
29	inheritance tax imposed on a transfer of the decedent's property	
30	interests to a particular Class A transferee is zero dollars (\$0).	
31	(e) (d) With respect to a person who dies before July 1, 2001,	
32	the inheritance tax imposed on a decedent's transfer of property	
33	interests to a particular Class B transferee is prescribed in the following	
34	table:	
35	NET TAXABLE VALUE OF	
36	PROPERTY INTERESTS	
37	TRANSFERRED	INHERITANCE TAX
38	\$100,000 or less	7% of net taxable value
39	over \$100,000 but not	
40	over \$500,000	\$7,000, plus 10% of net
41		taxable value over \$100,000
42	over \$500,000 but not	



1	over \$1,000,000	\$47,000, plus 12% of net
2		taxable value over \$500,000
3	over \$1,000,000	\$107,000, plus 15% of net
4		taxable value over \$1,000,000

5 **(e) With respect to a person who dies after June 30, 2001, the**
6 **inheritance tax imposed on a transfer of the decedent's property**
7 **interests to a particular Class B transferee is zero dollars (\$0).**

8 ~~(d)~~ **(f) With respect to a person who dies before July 1, 2001,**
9 the inheritance tax imposed on a decedent's transfer of property
10 interests to a particular Class C transferee is prescribed in the following
11 table:

12	NET TAXABLE VALUE OF	
13	PROPERTY INTERESTS	
14	TRANSFERRED	INHERITANCE TAX
15	\$100,000 or less	10% of net taxable value
16	over \$100,000 but not	
17	over \$1,000,000	\$10,000, plus 15% of net
18		taxable value over
19		\$100,000
20	over \$1,000,000	\$145,000, plus 20% of
21		net taxable value over
22		\$1,000,000

23 **(g) With respect to a person who dies after June 30, 2001, the**
24 **inheritance tax imposed on a transfer of the decedent's property**
25 **interests to a particular Class C transferee is zero dollars (\$0).**

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